STATE OF COLORADO

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1876

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Colorado's Recovery Act Broadband Framework
&
Funding Opportunities

July 17, 2009

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FEDERAL FUNDING OPPORTUNITIES

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Timelines

- Jul 1, 2009   BTOP/BIP & BDIA NOFAs released
- Jul 14-Aug 14, 09   BDIA applications accepted
- Aug 14, 2009   BTOP/BIP deadline for submission of
- Sept 30, 2009   BDIA awards issued
- Nov 7, 2009   BTOP/BIP awards announced by NTIA/RUS
- Nov-Dec 2009   Issuance of second round BTOP/BIP NOFA
- Dec 2009   Successful BTOP/BIP awards closing
- Apr/Jun 2010   Issuance of third round BTOP/BIP NOFA
- Sep 30, 2010   All third round BTOP/BIP awards to be made

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Overview of NOFA Round 1

- $4 billion of overall $7.2 billion allocated in first round
- BTOP focus is unserved and underserved
- RUS focus is areas that are at least 75% rural
- If RUS determines not to fund any application then NTIA may
- NTIA can just do grants
- RUS can do a combination of grants and loans
- Eligible applicants

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Award Information

- **BIP** will make available $2.4B in this round:
  - $1.2B for last mile projects; Remote or Non-Remote projects, $400M in grants for Remote Area projects, $800M in Loans/Grants combinations for Non-Remote projects.
  - $800M for loans or loans/grants combinations for middle-mile projects.
  - $325M for National Reserve.
- **BTOP** will make available $1.6B in this round:
  - $1.2B for Infrastructure projects
  - $50M for Public Computer Center projects
  - $150M for Sustainable BB Adoption
  - $200M for National Reserve

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RUS (BIP)

- RUS grants to be used to serve exclusively remote, unserved, rural areas

- RUS loan-grant combinations to serve non-remote and underserved rural areas

- RUS will favor applicants proposing higher percentage of loans to grants

- Two step review process
  - Completeness and eligibility; ranked based on scoring criteria
  - Highest scoring applications invited to second round

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NTIA (BTOP)

- Provide access for unserved, underserved, community anchors and public safety, and stimulate demand for broadband, jobs, and economic growth

- **States are consulted on projects within their borders.**

- Broadband infrastructure grants are for "last mile" or "middle mile"

  - Last mile: provider to end user (cable modem, DSL, fixed and mobile wireless)

  - Middle mile: generally backhaul from last mile provider to backbone NAP (interoffice transport, special access)

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Two-Step BTOP Selection Process

- Application meets mandatory threshold requirements set forth in this NOFA

- Due diligence then done with the company regarding their

  - States can make recommendations for qualifying projects

  - Governor's office will receive list of applications under consideration and have 20 calendar days to provide prioritization to NTIA

  - Governor's office must explain why selected proposals meet the greatest needs of the state (map may be used)

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Definitions

- **Broadband**……Speeds at least 768Kbps downstream, 200Kbps upstream

- **Remote Area….**means an **Unserved** area 50 miles from a non-rural area

- **Rural Area**….means any area confirmed by latest decennial census of the Bureau of Census which is **NOT** located within:

  1. A town or incorporated area of greater than 20,000 people

  2. An urbanized area (US Census Bureau definition) adjacent to town of greater than 50,000 people

- **Underserved**…. Area that meets <u>at least one</u> of the following:

    1. No more than 50% of the households in this area have access to facilities based terrestrial BB services.

    2. No fixed or mobile services available advertised at speeds of at least 3Mbps downstream

    3. Adoption of BB services in this area are less than 40%.

- **Unserved……** means at least 90% of the households lack access to facilities based terrestrial BB service fixed or mobile.

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Application Eligibility Factors BIP and BTOP

- The project must be substantially completed within 2 years and finished within 3.

- You must submit a system design and project schedule, certified by a professional engineer for any project over $1M.

- You must commit to all <u>nondiscrimination and interconnection</u> obligations.

- Last Mile projects must identify the census blocks selected and provide evidence that the area is either unserved or underserved, and that you provide service to the entire census block territory. Unless you ask for a waiver.

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Additional **BTOP** requirements:

- Project is eligible only if it advances at least one of the statutory purposes of **BTOP** (unserved, underserved, community anchor and vulnerable populations, public safety, jobs and economic development)

- Awardee must provide at least 20% matching funds, if more funding you get favorable consideration

- You must demonstrate that the project would not happen without federal funding.

- You must demonstrate that the project budget and business plan are reasonable.

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Eligible Infrastructure Award Expenses:

- Construction or improvement of facilities required to deliver BB services. For **BIP** only including facilities for providing other services over the same facility.

- Capital leases for a maximum of 5 years

- Pre-application expenses after NOFA date, not to exceed 5% of the award.

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Ineligible Infrastructure Award Expenses:

- Operating expenses.

- Acquisitions

- Purchase or lease vehicles except those used in construction

- Operating leases

- Funding mergers or consolidations

- Funding costs to acquire spectrum as part of an FCC auction or in the secondary market.

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Eligible Costs for Public Computer Centers

- Acquiring BB related equipment

- Training, education

- Facilitating access to the facilities

- At the discretion of the Assistant Secretary

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Eligible Costs for Sustainable Broadband Adoption:

- Acquiring equipment

- Training and education

- Public education, outreach

- Innovative programs

Evaluation Criteria; scoring Categories.

- Project purpose

- Project benefits

- Project viability

- Project budget and sustainability

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COLORADO'S FRAMEWORK

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INFRASTRUCTURE ($1.2B)

1. Focus on applications that bring broadband to community anchor institutions

2. Uses infrastructure that currently exists

3. Enhance the speeds of broadband to areas with no service or low-quality service

4. Can show long-term sustainability

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Public Computer Centers ($50M)

1. Maximizes Accessibility

2. Uses infrastructure that currently exists

3. Enhance the speeds of broadband to areas with no service or low-quality service

4. Can show long-term sustainability

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Broadband Adoption

1. Includes a combination of rural and urban territories.

2. Increases the penetration rate of new subscribers

3. Contains the lowest cost per new subscriber

IMPORTANT CONSIDERATIONS

- Public and Private Sectors can and should apply

- Projects not containing priorities should apply

- The State of Colorado may apply based on information being gathered and reported

- The State is looking for a market driven response

- The State will serve as an information pipeline

- The State does not make the final decision and has not input on RUS/BIP process in this round.

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